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Migrant Entrepreneurship: New Potential Discovered

Claudia Lintner^{a*}*^aFree University of Bolzano, Regensburger Alle 16, 39042 Brixen, Italy*

Abstract

The paper is based on an on-going empirical PhD project and deals with the contribution of migrant entrepreneurship in the South Tyrol of Italy. The potential of migrant entrepreneurship lies on the positive impact in the human rights space in terms of participation, resilience and empowerment. Therefore, entrepreneurship among migrants must be seen as a new arena for social, economic and political action. In order to develop more effective policies on a national as well as on a European level there is a significant need to rethink migrants role in society, economic growth and job creation. In addition, increasing awareness of the positive part that migrants can play as self-employees could contribute to a more sensible public debate on the phenomenon and lead to recognize migrant economies also as an important part of integration policy.

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1. Introduction

The reflections in this paper are based on the hypothesis that migrant entrepreneurs in micro, small and medium-sized enterprises do not act in a social, political and economic vacuum, but that their action can be limited by a range of structural mechanisms and different actors, which shape the entrepreneurship among migrants considerably (Kloosterman & Rath, 1999). In other words, they have to be seen not within, but alongside the fault lines of what Granovetter (1985) identifies as the over-socialized and the under-socialized world. Furthermore, migrant economies delineate hybrid structures: They are acting in the field of tension between the logic of the neoliberal oriented market, the political framework of the host country and their personal life-world[s]. This point of view is based upon a socio-scientific theoretical approach, which sees the individual always in relation to the society and includes the subject as active creator in the area of tension of society and system (Habermas, 2011). In this paper

* Claudia Lintner. Tel.: +39 0472

E-mail address: claudia.lintner@unibz.it

self-organization among migrants is perceived as a bottom-up strategy, which can secure not only the material basis for existence, but has also the possibility to promote active participation in society and the capacity to become actors of their own development (Elsen, 2007). The reflections introduce the reader to the concrete political contexts, in which migrant economies are embedded, in the Italian and the local context of the South Tyrol, and it is related to the question of how this “new” activism can be linked to the concepts of social innovation and territorial development.

2. Immigration and Migrant entrepreneurship in Italy

Since immigration is a structural phenomenon, entrepreneurship has always been a part of immigration in Italy. However, official data shows that entrepreneurial spirit in Italy is quite young. 62% of migrant businesses were registered in chambers of commerce between 2000 and 2009 (Fondazione Leone Moressa, 2012, p. 124). This shows a sudden increase of 34%, when comparing it to previous years. To explain this data, we have to look back to the year 1990. The first Italian immigration law (Legge Martelli) provided a clause, which includes the principle of reciprocity: Only those people, whose origin country was a former receiving country for the Italian emigrants, could become self-employed. This clause was eliminated in 1998, by the second national immigration law (legge Turco-Napolitano). At the same time, a period of regulation was introduced for autonomous work activities, which was again eliminated with a more restrictive law Bossi Fini in 2002. The late regulation of the phenomenon is due to the fact, that Italy is a young immigration country (Villosio, 2005, p. 19). Prior to 1970, Italy was a country of emigration. However since the 80s the migration flow is constantly growing and, as recent studies emphasis, also during the economic crisis (at least in the initial phase) immigration flow to Italy increased, rather than decreased. The fast growing of the foreign population can be linked to two phenomena: on the one hand increasing family reunions and on the other hand the increase of autonomous female immigration (Perocco & Cillo, 2011). For a long time, migration policy has seen migrants merely as a cheap and flexible workforce. In fact, their right to be in the country, especially since 2002, is strictly connected to their status as workers. This is related to the restrictive measures introduced by the third and current immigration law (Legge Bossi- Fini, 2002), which compels migrants to have a regular work contract, to get a temporary residence permit (permesso di soggiorno) a fact that has come to a head during the crisis. The consequences of the current financial crisis, which also turned into a labour and social crisis, caused not primarily a reduction of employment (also if anything the unemployment rate decreased more markedly, than that among native workers) (Istat, 2013), but it did have a huge effect on working conditions and employee employer relations, making workers feel vulnerable and their employment precarious (Perocco & Cillo, 2011, p. 14). These measures, in conjunction with the increasing risk of unemployment (Fondazione Leone Moressa, 2012, p. 16) forced many migrants to accept any working conditions. In 2009, when the economic crisis was approaching its peak, the Italian Parliament adopted a major (controversial and radical) reform of immigration law (The bill of “citizen’s security”) which made illegal entry a criminal offence and introduced a points- based system, for the renewal of stay permits. Migrant entrepreneurship in Italy has to be understood within the background, of, especially, before, the crisis in the local labour market and the systematic weakening of the status of legal immigrants. Becoming self- employed can be interpreted as a self-integration process. As the local example of South Tyrol outlines, there is a correlation between the labour market situation, migration policies and the becoming self-employed, which is perceived as a bottom up strategy to give life another direction (Elsen, 2007, p. 201).

3. Potential of migrant entrepreneurs

As the comparison with different European countries and other Italian regions, with a longer migration history shows, migrant economies could become important areas for territorial development. Territorial development is intended here, not in terms of neoliberal market logic, but is more based on an interpretation of development from below, where ideas such as solidarity and cooperation stand in the forefront (Elsen, 2007). The potential sits on three hypothesis; the first hypothesis is, that by becoming self- employed, migrants create their own jobs and those of others too, as additional apprenticeship positions. This can be, thus, a valuable contribution to the integration in the labor market of groups, which normally occupy marginal positions in the labour market. In Italy, the country with the highest rate of small business among OECD member states, migrant entrepreneurs, with less than 50 employees,

provide up to 2.1 working places (Fondazione Leone Moressa, 2012, p. 115). Policies must recognize this potential contribution, in terms of economic integration, and slant the economic policy conditions favourably towards the specific needs of these entrepreneurs. At the same time, the function of migrant economies can exceed the economic sphere. The second hypothesis postulates that migrant entrepreneurs can create new space possibilities, which could have a positive impact on the social and cultural cohesion within the local community for migrants and locals alike. Furthermore, as described by various experts, especially for migrant communities, these economies can become new arenas, creating identity and legitimacy: Taube and Borja (2011 p. 210) define them as "semi-public" and "communication" spaces intended as "small social centres", which are rooted in civil society (Taube & Borja, 2011, p. 215). They represent a "secure space" and a reference for the familiar (Taube & Borja, 2011, p. 220). Moreover, from an urban point of view, migrant economies could have the potential, and this is the third hypothesis, for contributing to the territorial neighborhood stability, in terms of neighborhood supply systems, for example. But also, through their presence in the streets, they can attribute more vitality to particular streets or neighborhoods in cities. On the other hand the question is, how must policies be created, in order to avoid the "ghetto" effect? Following Hillmann (2011, p. 13), policies should perceive the relationship, between entrepreneur and city, as a form of symbiosis: in order to function, they have to be embedded in the urban environment but, they can also add the potential of development. Hillmann (2011) describes this transformation process as the core element of the urban landscape. Following this line of thought, social innovations directly connect to developing solutions for societal and group- specific challenges. It refers to the basis of society, namely, the relations and the organization of interaction between people and space, on the basis of concrete needs, as MacCallum et al. (2008, p. 6) underline in the following quote: "Social innovation is innovation in social relations, as well as in meeting human needs". It can, therefore, be seen as a redesign of (self-) organization forms, which are capable of redirecting social change. Following this line of argument, migrant economies can be seen as "innovative alternative imaginations and life experiences [...] which highlight solidarity, cooperation, economic, human and cultural diversity, situated both outside and in combination with the market, within or outside cultural artistic arenas, and at various spatial scales of social empowerment [...]" (MacCallum et al., 2008, p. 6). The economic activity of migrants, as hybrid structures between System and life worlds, exceeds the limits of the state and the market and has its roots in civil society. They are (not prior) orientated towards the common market rules, but at personal and common needs. Following this line of argument, Hillmann (2008, p. 101) considers migrant economies "...as part of what is labeled the 'social economy'" and as "...innovative alternative imaginations and lived experiences" (Gibson- Graham & Roelvink, 2008, p. 6) situated in a specific social, economic and environmental context.

4. Methodology

The research approach is based on a reconciliation of structure and agency and moves beyond the dualism where social structure is both the medium and the outcome of social action: "social structure is defined as both constraining and enabling of human activity as well as both internal and external to the actor" (Giddens, 1995, 45). Such as Berger and Luckmann (2012), who see the relationships between structure and agency as a dialectical one: society forms the individuals who create society, forming a continuous loop. This perspective is based on a vision of the nature of humanity (Menschenbild), which sees the individual not as passive being who is entirely formed by society, but as an active human being who is certainly able to influence the society in which he lives. Taking the point of view of a positive vision of the nature of humanity described above has certainly consequences for the production of new knowledge. Considering migrant entrepreneurs as experts of their life-worlds, the research design has been elaborated in close relation to the life-worlds of migrant entrepreneurs who take part of the research. This way of doing research is also known as Mode 2 science, an approach, where „Knowledge is generated within the context of application. [...] The context of application, [...], describes the total environment in which scientific problems arise, methodologies are developed, outcomes are disseminated and uses are defined" (Nowotny et al. 2003, 4). The produced knowledge is oriented on a transformative perspective of doing research and should flow back in the praxis of the life-worlds. In other words, the knowledge should gain importance for those who co-constructed the knowledge and should be useful in order to initiate new transformation processes in society: „We embrace the notion of knowledge as socially constructed and, [...] we commit ourselves to a form of research which

challenges unjust and undemocratic economic, social and political systems and practices” (Brydon Miller et al, 2003, 11). The general aim of the project is to understand the individual (social and economic) action strategies of migrant entrepreneurs between the life-world(s) of migrants and the dominant structural framework. This formulated goal is based on the leading hypothesis that the step to economic independence leads not only to new dependencies but also to new contradictions, both at the institutional level and at the micro-level. The main question to which this paper tries to find an answer is: which new possibilities and new limits for migrant entrepreneurs result from the mixed embedded economic action between life- worlds and System? The research project is based upon a qualitative research design which follows a inductive research approach and makes use of a mixed approach of qualitative methods: semi-structured interviews with institutional represents, narrative interviews with migrant entrepreneurs, participant observation and document analyses. For a preliminary study a total of ten narrative interviews with entrepreneurs from Pakistan, Bangladesh, Morocco and Iran have been done. They work in the commerce and hospitality sector. The research field is South Tyrol, the northernmost province of Italy. It is one of the Italian autonomous provinces with a special statute. The Autonomy Statute forms the legal basis for the territory, as the backbone of the protection of the German and Ladin minorities. South Tyrol has a relatively short history of migration. Since the 1990s, the province has become a migration destination for non EU-citizens and immigration has become a key feature also in the Province of South Tyrol and as such it does not distinguish itself from other regions in Europe anymore.

5. Preliminary results

Migrant entrepreneurship in South Tyrol has to be understood against the background of the current migration policies and the economic crisis in its consequences on the local labour market and the systematic weakening of the status of legal immigrants. As a result, the role that migrants have in society is a passive one, they are not seen as active individuals who can contribute to territorial development. Immigrants in an economy with a high share of seasonal jobs like South Tyrol are an ideal flexibility buffer. As stated above, with the role migrants occupy in the territory, many migrants are forced to accept low qualified jobs in any working conditions, which are found mostly in the agriculture sector “raccolta di mele” (“apple picking”) and the cleaning sector “pulizia” (“cleanings”) [O.T., (pseudonym) interview by author, 2013]. Here, human resources are extremely linked to the economic interpretation of capital, namely a tool in order to promote economic strengthens and to respond to the needs of a “free” market. The integration of migrants into the labour market is therefore only oriented on human resources in terms of capital. Human cultural resources in form of titles, working experiences etc. are apparently not relevant for the works which migrants are expected to do in South Tyrol: “I have understand that here they offer migrants only certain types of work, cleanings or apple picking. Their own work experience does not count for anything” [O.T., (pseudonym) interview by author, 2013]. As the quote underlines, these resources are not immediately transformable into a real opportunities but, in order to be usable (Bourdieu, 1983), they have to be recognized on an institutional and on a political level, which very rarely happens. There is therefore an observable gap between the capacities and the capabilities intended as real opportunities. In this perspective and as the following quote shows, entrepreneurship has to be understood also as a possibility to transform a person’s own incorporated cultural capital into a resource and therefore into a real opportunity: “if I want to stay in the country, I have to work. After not finding a job in my sector, I understood, Ok, I have to open a shop and create my own work. If I have to clean I will do it in my shop, but for others I can’t” [G.K., (pseudonym) interviewed by the author, 2013]. Furthermore, the way to self-employment can be related to the desire to give continuity to the own employment biography and to give sense to the own activity as the next quote shows “I have 25 years of work experience. The employment agency said that I have to change my work. Sorry? I cannot change my experience, my work. For what? To do cleaning? It would be better to return to my country. It would be better, but I cannot. It is not that cleaning is a bad job, but it is not my job. I have a different training and you (the state) have to look for me, you have to use my experience” [J.D., (pseudonym) interviewed by the author, 2013]. As it becomes clear, self-employment happens in engagement with the own resources and the possibilities in the host country. From the negotiation of the two levels, it results a more or less reflected choice of action. Work here is not intended as a merely productive, rational-instrumental activity but, drawing on Hannah Arendt, as a human activity, where the subject itself and the personal attribution of meaning become a central element in the definition. Moreover, the entrepreneur is constantly confronted to make his living in

a sphere which is determined by profit oriented priorities. “Classical” self-employment in this instrumental-rationalized context is described in the experts interviews with the following characteristics: “systematic way of proceeding”, “investing”, “knowledge of the market”, “territorial specificity”, “capability of market analyses”. All these attributes, which represent an existing constructed normality, characterize a neoliberal way of economic thinking which contributes in transforming a self-organized new chance (freedom to act) into a risky and precarious opportunity (Beck, 2000): „Nothing should happen, otherwise all go down the drain“ [EXP2, (pseudonym) interviewed by the author, 2013]. Interestingly, from an outstanding perspective migrant entrepreneurs are not defined as “classical” self-employees. In fact, institutional representatives describe their acting with irrational attributes like „naivety“, „unprepared“, „little strategic direction“ and „unsystematic“. Whereas the rational determined acting is linked to long-term action and stability, the acting of migrants entrepreneurs is equated with *adventure*, which is based on short-term processes, precarious conditions and risk. Therefore, in order to survive and to remain active in a harsh economic world, migrant entrepreneurs concentrate their activity on an alternative personal network based on the life- world(s) which represents a basic social assurances: „No, only family and friends help me, from the outside nothing, those (state) only give you the stay permit and then you do not see them anymore, they do not help you- you do not see them (...) unless they need money, then they call you and are interested in you“ [G.K., (pseudonym) interviewed by the author, 2013]. So, migrant entrepreneurs constantly have to find new strategies negotiating between their own personal and social resources and the requirements of a free market, policies and civil society. This leads to fundamental consequences for the economic behaviour of migrant entrepreneurs. Firstly, migrant entrepreneurs show a very high spontaneity in their economic activity. In fact, as the next interview quote shows, the flexibility which accompanies their precarious existence is more than relevant. “If the store does not work in this street, I change, I will find another place. I have changed my whole life in one day, changing the place of the store is nothing compared” [G.K. (pseudonym) interview by the author, 2013]. It becomes clear, that before the background of a more preventive structural framework the freedom to act is limit and makes an acting instead of a reacting almost impossible.

6. Conclusion

Following this line of reasoning, social innovation should be understood as a process combining bottom up strategies as well as different forms of institutionalizations, with a particular emphasis on lobby processes and the strengthening of the capacities of intermediary organizations. As stated above, it is important to overcome the discussion area of state and market and root the analyses of migrant economies in civil society. To place migrant entrepreneurship within the triangle of market, state AND civil society, allows a more differentiated understanding. Civil society is intended here as a third sphere, which is not only influenced by state and market, but also able to initiate alternative bottom up strategies. Consequently, policies have to be rooted in real life world(s), by strengthening economic action and the participation in civil society as an intermediate space between the private sphere of life world(s) and the system. Moreover, policies should reflect the complexity of the degree to which of migrant entrepreneurs are embedded within its social, political, economic and cultural and specific territorial aspects. In order to develop concrete policies and long term responses, it is important to promote research into the different realities. As an example initiatives, on a European level, look precisely on the local developments, in terms of migrant entrepreneurship: On the one hand the conclusive report on the “Entrepreneurial Diversity in a unified Europe (European Commission, 2008) and on the other hand the analysis of ethnic entrepreneurship in European cities, promoted by the CLIP (Cities for local integration policy) Network (Rath & Eurofound, 2011). Nevertheless, especially on the national and the local level, migration and economic policies are hardly interconnected. Policies should not only be discussed alongside the hypothetical potential and limits of migrant entrepreneurship for the territorial development but also in the fault line of different disciplines. But, in order to develop more effective policies there is a significant need, on all levels, to rethink migrants role in society and in the different policies. In addition, increasing awareness of the positive part that migrants can play as self-employees could contribute to a more sensible public and political debate on the phenomenon. The potential of ethnic entrepreneurship as a creator of jobs for example is often overlooked. It can be instrumental in reducing unemployment and providing opportunities to more vulnerable groups helping them to get out of the poverty trap (Rath & Eurofound, 2011). The

potential of migrant entrepreneurship lies therefore on the positive impact in the human rights space in terms of participation, resilience and empowerment. Following this line of reasoning, entrepreneurship among migrants must be seen as a new and important arena for social, economic and political action where new negotiation processes can be initiated not over but with migrants as active creators of territorial development.

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